RESERVE MAP ALTERNATIVE 13

Intent and Purpose

City of Lincoln and County staff prepared Alternative 13. As with Alternative 12, this alternative was intended to meet Lincoln's growth requirements as well as accommodate the proposed major specific plan projects within the County's jurisdiction. Alternative 13 identifies complete buildout of the Lincoln City Limits and accommodates urban growth throughout most of the proposed Lincoln Planning Area and expanded Sphere of Influence. Growth is also identified in the Sunset Industrial Area, Placer Ranch, Regional University, the Brookfield project, Placer Vineyards, and Roseville's western Sphere of Influence. An area of urban growth, slightly larger than what is identified in Alternative 12, is proposed south of Auburn Ravine, approximately ½ mile to the north and south of East Catlett Street for incorporation into the City of Lincoln's expanded Sphere of Influence.

The Lincoln Planning Area would accommodate reserve lands in its northwest corner to provide for increased vernal pool complex preservation and connectivity within the reserve system. In areas to the south of Nicolaus Road, land conservation is identified west of the proposed Lincoln Planning Area. The Curry Creek Community Plan area is identified for land conservation.

Basic Facts

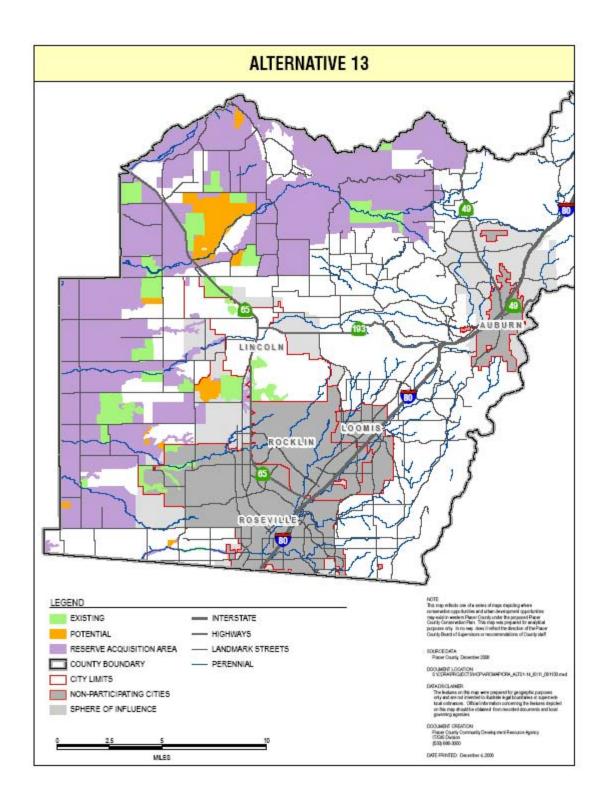
- Approximately 79,000 acres are available for incorporation into the PCCP reserve system.
- Preserves 56 percent of the existing vernal pool resources in the Phase 1 area

Ability to Obtain Comprehensive PCCP Permits

The resource agencies have not reviewed this alternative. While the levels of wetland preservation are on the lower end compared to some of the other alternatives, given the limited urban edge associated with the reserve design and this alternative's achieved wetland preservation levels, Alternative 13 could potentially achieve a "Least Environmentally Damaging Practicable Alternative" (LEDPA) determination under the federal Clean Water Act. Thus, the full suite of environmental permits the County is seeking through the PCCP process could potentially be obtained with this alternative.

Local Land Use and Economic Objectives

This alternative accommodates all of the growth objectives identified in the Specific Plan applications currently filed at the County and identifies growth of the Sunset Industrial Area; however, the Curry Creek Community Plan area is proposed for incorporation into the PCCP reserve system. The City of Lincoln's stated land use objectives are achieved with this alternative.



RESERVE MAP ALTERNATIVE 14

Intent and Purpose

Alternative 14 was prepared by City of Lincoln staff and County staff. Similar to Alternatives 12 and 13, this alternative was intended to meet Lincoln's growth requirements as well as accommodate the proposed major specific plan projects within the County's jurisdiction. Alternative 14 is nearly similar to Alternative 13 with one notable exception. In Alternative 14, the northwest corner of the proposed Lincoln Planning Area (LPA) identifies urban growth approximately one mile west of Dowd Road. Similar to Alternative 13, this alternative identifies complete buildout of the Lincoln City Limits and accommodates urban growth throughout most of the proposed LPA. Growth is also accommodated in the Sunset Industrial Area, Placer Ranch, Regional University, the Brookfield project, Placer Vineyards, and Roseville's western Sphere of Influence. A pocket of urban growth, slightly larger than what is identified in Alternative 12, is proposed south of Auburn Ravine, approximately ½ mile to the north and south of East Catlett St. The LPA would accommodate reserve lands in portions of its northwest corner to provide for increased vernal pool complex preservation and connectivity within the reserve system. In areas to the south of Nicolaus Road, land conservation is identified west of the proposed LPA. As in Alternative 13, this alternative identifies the Curry Creek Community Plan area for land conservation.

Basic Facts

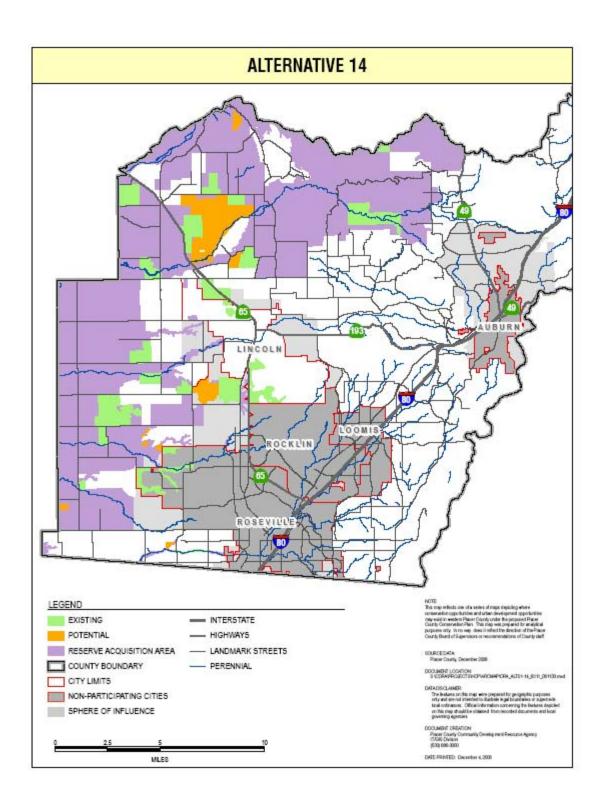
- Approximately 79,000 acres are available for incorporation into the PCCP reserve system.
- Preserves 53 percent of the existing vernal pool resources in the Phase 1 area
- This alternative would require that certain existing preserved lands, managed at this time as in perpetuity conservation lands, would be unencumbered and made available for development.

Ability to Obtain Comprehensive PCCP Permits

The resource agencies have not reviewed this alternative. Of greatest concern to staff is that approximately 800 acres of currently protected mitigation land is proposed to be unencumbered and made available for development. Based upon comments from staff at the wildlife agencies, the potential for the wildlife agencies to allow for mitigation property to be unencumbered in highly unlikely.

Local Land Use and Economic Objectives

This alternative accommodates all of the growth objectives identified in the Specific Plan applications currently filed at the County and identifies growth of the Sunset Industrial Area; however, the Curry Creek Community Plan area is proposed for incorporation into the PCCP reserve system. The City of Lincoln's stated land use objectives are achieved with this alternative.



STAKEHOLDER INPUT ON MAPPING

At each stakeholder outreach meeting, the public was solicited for input regarding other mapping alternatives that could be considered. The following summarizes the six alternative map requests received. A copy of each of the stakeholder maps is included as Exhibit D.

Stakeholder Input Map Request No. 1 - City of Lincoln (see Figure D-1)

The City of Lincoln has been a participating agency in the development of the PCCP over the last several years. Staff has worked closely with City staff to identify map alternatives that meet the City's stated urban growth objectives. Recent changes in the conservation status of two parcels located within the northwest corner of Lincoln's proposed Planning Area have led the City to propose a modified boundary to the reserve design proposed in this area. Based upon correspondence from the City received on January 4, 2007, the City understands that the area located at the southwest corner of Wise Road and Dowd Road has now been planned for use as wetlands mitigation. Collectively, these two parcels span approximately 800 acres of mitigation land, effectively reducing Lincoln's ability to achieve urban growth objectives in that portion of their Planning Area. Consequently, the City proposes to shift some of their future growth to the south and west of these conservation properties. In addition, the City would like to modify the reserve boundary to include development opportunities in several locations around the Orchard Creek watershed (see Figure). The City also requested that portions of the Western Placer Unified School District's property, which is located within the proposed Lincoln Planning Area, be retained for future development opportunity. Lastly, the City requested that the reserve boundary sited along the Nader Property be modified to include the proposed open space boundaries retained within the project site as identified in the Nader Development plan.

Stakeholder Input Map Request No. 2 – City of Roseville (see Figure D-2)

While not participating in the PCCP, the City of Roseville has been following the development of the reserve map alternatives and recently provided input to ensure the PCCP mapping process meets the City's objectives. The City requests that the Reason Farms property, which is owned by the City, be removed from the reserve boundary. Roseville is in the process of developing a Master Plan for that property. Until such time a plan is prepared, the City is not certain as to the future conservation opportunities associated with Reason Farms. The City also requests that the reserve system boundaries identified in the West Roseville Specific Plan area and in the proposed Creekview Specific Plan area be modified to reflect established and proposed open space preserves on those properties. The City has also requested that open space areas located within the Roseville City Limits be removed from reserve maps. Lastly, the City requests that the proposed Brookfield project and the County landfill be identified as future urban areas and that the two conservation areas recently established on the Griswold property be added to the reserve system. (NOTE: The landfill property is identified as part of the reserve area because the closure plans calls for the properties to be largely managed as grasslands which can

provide habitat for a variety of species including some species covered by the PCCP.)

<u>Stakeholder Input Map Request No. 3 – Richland Planned Communities (see Figure D-3)</u>

The County received input from Richland Planned Communities, a stakeholder involved in land development activities in Placer County. Richland Communities has requested that the reserve map boundary identified in Lincoln's northwest Planning Area be modified. The modifications reflect those expressed by the City of Lincoln in Stakeholder Map Request #1 and would essentially expand the PCCP reserve system into 800 acres located at the southwest corner of Dowd Road and Wise Road while accommodating future urban growth in the two sections of land located south of this area. Similar to Map Request 1, Richland also proposes to expand urban growth opportunities to the south and west of the conserved properties described above.

<u>Stakeholder Input Map Request No. 4 – Mike Musolino (see Figure D-4A and D-4B)</u>

County staff received two map requests from Mike Musolino, a stakeholder involved in land development activities in Placer County. The first request incorporates the proposed Regional University campus site into the PCCP reserve system and identifies future development opportunities in the proposed Curry Creek Community Plan area. The second map identifies a larger component of the proposed Curry Creek Community Plan area for future development and requests that a portion of the proposed Regional University campus site previously identified as part of the PCCP reserve system be incorporated into the proposed development opportunity area.

Stakeholder Input Request No. 5 - KT Communities

Staff received a letter from Hefner, Stark and Marois, on behalf of KT Communities, stating that they have been and continue to be generally supportive of the concept of a PCCP. KT Communities is concerned that the selection process of a preferred alternative reserve map has been arbitrary and inconsistent in the application of planning and habitat preservation principles. To this end, KT Communities is concerned that the selection of a particular map with such far-reaching consequences would not be prudent. While KT Communities would prefer that the Board not select a map at this time, KT Communities recommends that, if a map is selected, Alternative Map 14 should be selected with the exclusion of two properties: one in the Curry Creek/Future Study Area, and one in the Sunset Industrial Area.

PCCP COSTS SUMMARY Fiscal Impacts/PCCP Finance Plan

Implementation of the PCCP is predicted to entail costs associated with land conservation and restoration in order to mitigate development-related impacts to endangered species and wetlands over the next 50 years. If early estimates hold firm, over 50,000 acres of land will need to be preserved to mitigate and conserve development-related impacts. This land will need to be acquired through dedication, fee title acquisition or the purchase of a conservation easement. As has been previously

discussed with the Board, it is estimated that the cost of acquiring these mitigation lands will be approximately \$1.1 billion (in 2006 dollars). Once the mitigation lands have been acquired, it is estimated that annual management costs of these mitigation lands will be approximately \$7 to 8 million a year.

As previously conveyed to the Board of Supervisors, costs associated with this program are preliminary and can only be quantified after conservation plan mapping is complete. No finance plan has been prepared to date. While a financial model has been constructed to analyze one-time costs and on-going costs associated with the PCCP, a more detailed and accurate analysis cannot be completed until such time that a PCCP reserve system map has been selected.

One of the most-asked questions during the community forum process, especially in light of the estimated cost of \$1.1 billion for land acquisition, was what would be the financial impact to Placer County. Based upon the existing status quo process, the County bears little cost in program administration and maintenance of mitigation lands (except for those lands the County owns).

Should the PCCP program move forward, the fiscal analysis prepared for the project concluded that the annual cost to administer the program (at build out) would be approximately \$600,000. While the Board may opt to participate in the costs of program administration, such a question has not yet been posed to the Board. At this time, similar to the status quo, it is anticipated that the developer and/or future home-buyer/property owner will pay for both the mitigation land acquisition and the annual maintenance and administration costs. Unless a contrary action is taken by the Board, it is anticipated the implementation of the proposed PCCP program will not be borne by current residents/tax payers. (See Exhibit H for additional information)

OTHER HCP PROGRAMS / RECENT FEDERAL COURT RULINGS

During the various community forums held in December 2006, many questions were raised regarding other HCP programs and their success. As noted during the community forums, decisions in two recent federal cases may have affected the legal landscape surrounding the PCCP.

In Home Builders Association of Northern California v. United States Fish & Wildlife Service, a district court in California's Eastern District (which includes Placer County) again remanded the USFWS' designation of "critical habitat" for 15 vernal pool species based on claims filed by environmental groups. The Court gave the USFWS until May 2007 to reconsider the designation and to ensure that the designation includes the habitat necessary to allow vernal pool species to recover from their endangered or threatened status.

The ESA requires the USFWS to designate as "critical habitat" areas that are "essential for the conservation" of the vernal pool species. The Endangered Species Acts provides heightened protections for designated critical habitat. Actions that

would result in the "adverse modification" of critical habitat must in many cases be redesigned or relocated.

The USFWS' critical habitat designation for vernal pool species included two small areas within Placer County. Other areas of the County that were initially proposed as critical habitat were excluded by the USFWS to avoid potential economic impacts. The court specifically upheld the economic exclusions in Placer County. The court also held that the USFWS could exclude areas covered by an approved habitat conservation plan from the critical habitat designation.

The court's ruling again creates uncertainty about the final location and extent of critical habitat for vernal pool species in Placer County. It is also far from certain that this will be the last of the legal challenges to the USFWS' critical habitat designation for vernal pool species. However, it is clear from the court's opinion that the PCCP, once approved, can provide the basis to exclude future critical habitat designations.

In Center for Biological Diversity v. Bartel a district court in California's Southern District overturned part of a habitat conservation plan prepared by the City of San Diego because it failed adequately to protect vernal pool species. The City of San Diego habitat conservation plan relied on subsequent individual §404 permitting processes for specific projects to protect vernal pool species rather than including a comprehensive conservation strategy for vernal pool species in the habitat conservation plan itself (as is currently proposed with the PCCP). The court rejected that approach, concluding that the habitat conservation plan itself must include a conservation strategy for vernal pool species.

The City of San Diego habitat conservation plan's approach for dealing with vernal pool species was fundamentally different from that proposed for the PCCP. The approach proposed for the PCCP would address the district court's concerns with the San Diego habitat conservation plan. However, certain conclusions of the district court will have to be considered during the development of the PCCP. For example, the district court held that the USFWS must consider the effect of a proposed habitat conservation plan for vernal pool species on the USFWS' recovery plan for vernal pool species. The court also concluded that the USFWS must consider not only impacts to intact vernal pools, but also impacts to unnatural vernal pool species habitat, such as tire ruts and roadside ditches. *Center for Biological Diversity v. Bartel* thus provides some relevant guidance for the PCCP and underscores the importance of including a regional conservation strategy for vernal pool species in the PCCP.

REGIONAL GROWTH / PLANNING EFFORTS SINCE 1994

As noted above in the "Background" section, the adoption of the General Plan in 1994 laid the groundwork for future amendments to the General Plan, including possible future growth areas within the County. As shown in Exhibit A, the area bounded by Pleasant Grove Creek to the north, Baseline Road to the south, Fiddyment Road to the east, and the Sutter County line to the west, was identified as

a 'Future Study Area' for the County. In establishing this 'Future Study Area', the County was anticipating and providing an opportunity for future growth in the County, while acknowledging through programs and policies in the General Plan that there may be other areas where growth may be more appropriate, such as the expansion of incorporated cities.

When the General Plan was adopted in August of 1994, the City of Roseville had a population of 56,036 and covered a land area of 30.00 square miles, extending as far west as Fiddyment Avenue. In 1994, the City of Lincoln had a population of 7,998 and covered a land area of 10.84 square miles. (Refer to Exhibit E for the limits of the cities of Roseville and Lincoln in 1994.) With the exception of the West Placer Specific Plan Area (now known as the Placer Vineyards Specific Plan Area), none of the area outside of the then-limits of Roseville and Lincoln had active development applications.

Since 1994, both cities have expanded their boundaries, and developments that were non-existent or in the early planning stages (i.e., Del Webb Roseville, the West Roseville Specific Plan Area, Del Webb Lincoln Hills, and Lincoln Crossing) are either under development or fully built out. In 2006, the City of Roseville had a population of 102,000 and had expanded to cover 36.32 square miles of land area. The City of Lincoln had a population of 32,000 and had expanded to cover 19.76 square miles of land area (refer to Exhibit E). The City's General Plan proposed sphere of influence would cover 53.43 square miles if all areas are annexed and allow for 132,000 persons at buildout.

In addition to the above, there are numerous active project applications being considered by Placer County, the City of Roseville and the City of Lincoln that would extend development even further into Western Placer County. These development applications include (refer to Exhibit F):

Placer County

- Placer Vineyards Specific Plan (14,132 residential units)
- Regional University Specific Plan (4,387 residential units)
- Placer Ranch Specific Plan (6,700 residential units)

City of Roseville

- Sierra Vista Specific Plan (10,320 residential units)
- o Creekview Specific Plan (3,188 residential units)
- Brookfield (development plans not yet proposed)

City of Lincoln

Proposed General Plan/Sphere of Influence Expansion (30,000 residential units)

When existing/approved projects that have not yet been fully developed (i.e., West Roseville Specific Plan, Lincoln Crossing) are considered, there are an additional

11,000 residential units that have been approved but not yet constructed. When all of these projects are totaled, the potential exists to have approximately 80,000 additional/new residential units constructed in Western Placer County.

Consistent with the 1994 General Plan, some of these approved developments (i.e., West Roseville Specific Plan, Sierra Vista Specific Plan, Regional University) have been approved and/or are proposed within the 'Future Study Area'. Other projects (Placer Ranch, City of Lincoln Sphere of Influence expansion) are located outside of the General Plan's 'Future Study Area'.

As the Board considers the merits of moving to the next step in the process for the establishment of the proposed PCCP, the Board needs to take into account existing policy directives, and how those policy directives interact with the needs of a PCCP.

To accommodate the implementation of the Placer County Parkway and the Sacramento River Water Diversion project, any selected reserve map must be a LEDPA (Least Environmentally Damaging Practicable Alternative) map. The various State and Federal agencies responsible for issuing permits have stated that it is highly unlikely that the agencies could support a selected reserve map if it does not meet the LEDPA standard.

In response to the County's June 2005 letter to the State and Federal agencies, the agencies stated that they could not support a performance-based approach to mitigation, and that any selected reserve map would need to address all of Western Placer County (that is, the City of Lincoln needs to be a part of any proposed solution). Based upon this response, the City of Lincoln has actively worked in partnership with Placer County to create an alternative reserve map that accommodates development in the County as well as development west of Lincoln. In this way, the creation of these alternative reserve maps is a balancing act, and staff and the City of Lincoln have worked together in good faith in an effort to allow future development opportunities for each agency, while still setting aside land to mitigate the impacts associated with development. As the Board considers moving forward to the next step of the process for the PCCP, the Board needs to take into account not only the active development applications, but also opportunities for future growth, both in Placer County and in the area around the City of Lincoln.

NEXT STEPS / TIMELINE

Staff has met, and will continue to meet, with State and Federal agency staff, property owners, environmental interests, agricultural interests and other stakeholders in order to prepare a public review draft PCCP that is responsive to agency comments and still reflective of stakeholder concerns and directives from the Board. If it is the desire of the Board to direct the staff to proceed with negotiations on an alternative reserve map, the final elements of the work program can proceed. If such direction is provided by the Board, the following steps are anticipated:

- Commence negotiations with the State and Federal agencies in an effort to develop consensus on a conservation strategy/reserve map for the PCCP.
- Report back, as necessary, to the Board and key stakeholders (including all who participated in the December 2006 community forums) on any changes or modifications to the selected alternative reserve map.

It is anticipated that the negotiation process may take from six months to one year to complete. Once agreement is reached with the various State and Federal agencies, staff will return to the Board with the agreed-upon "final" reserve map to determine whether such a map still meets the needs and expectations of the Board. At that time, should the Board decide to proceed with the agreed-upon reserve map, staff would commence with the preparation of an EIR/EIS, finance plan and implementation agreement for the PCCP program.

CONCLUSION

As explained in detail above, staff has implemented the Board's direction regarding the need to expand the public outreach efforts for the PCCP program. With the five community forum meetings in December 2006, plus the three additional follow-up meetings earlier this month, staff has received a variety of questions and comments that are the foundation of this report. As with most controversial issues, the public is very divided on the issue of whether or not the County should proceed with the PCCP program. Based upon comments received during the community forums, approximately 50 percent of the comments received were in favor of proceeding with the PCCP, while the other 50 percent were satisfied with the status quo and did not want to see the PCCP program move forward.

As noted above, in addition to allowing for 50 years of development within Placer County and the City of Lincoln, the PCCP program is also designed to provide the needed regulatory coverage for the Placer Parkway project (sponsored by the Placer County Transportation Planning Agency) and the Sacramento River Water Diversion project (sponsored by the Placer County Water Agency). Without a program such as the PCCP, including a program that meets the LEDPA requirements, the ability for the regionally-needed projects to proceed is greatly limited.

Based upon this information, staff has analyzed each reserve map alternative to determine which maps might best meet the current and future needs of Placer County and the City of Lincoln, while at the same time providing a reserve map that meets the LEDPA requirements. Based upon staff's analysis, and based upon comments received during the community forums, staff has concluded the following reserve maps meet this criteria, subject to the identification modifications:

• Alternative Reserve Map 4: With the exclusion of the "purple area" within Placer Ranch and the Sunset Industrial Area.

- Alternative Reserve Map 6: With the exclusion of the "purple area" within the Placer Vineyards project area, the Placer Ranch project area, and the Sunset Industrial Area.
- Alternative Reserve Map 12: With the exception of the "purple area" within the Sunset Industrial Area.
- Alternative Reserve Map 14: With the exclusion of the Rockwell and Mariner properties that were previously acquired for mitigation.

As noted, some of the preferred alternatives include portions of the Sunset Industrial Area. As the County has identified the Sunset Industrial area as the "economic engine" for the County, staff wants to be sure that none of the preferred alternatives adversely impact the County's ability to fully implement the plans and programs previously established for the Sunset Industrial Area.

Should it be the desire of the Board to proceed with the PCCP process, staff has concluded that any of these maps, as amended, would be a reasonable starting point for negotiations with the various State and Federal agencies on the establishment of reserve map boundaries.

RECOMMENDATION

Based upon the above analysis, staff recommends that the Board take the following actions:

- 1. Provide direction as to whether or not staff should proceed with the PCCP program.
- 2. Should the Board decide to proceed with the PCCP program, the Board will need to select a preferred alternative reserve map as the basis to commence negotiations with State and Federal agencies. Based upon the analysis in this report, staff has concluded that Alternative Map 4 (with the exclusion of the "purple area" within Placer Ranch and the Sunset Industrial Area), Alternative Map 6 (with the exclusion of the "purple areas" within the Placer Vineyards project area, the Placer Ranch project area, and the Sunset Industrial Area), Alternative Map 12 and Alternative Map 14 (with the exclusion of the Rockwell and Mariner properties that were previously acquired for mitigation) are the best alternative reserve maps that meet the current and future needs of Placer County and the City of Lincoln, while still meeting the LEDPA requirement.

Respectfully submitted,

MICHAEL J. JOHNSON, AICP Director of Planning

EXHIBITS: The following exhibits are provided for the Board's consideration:

Exhibit A: Map of the "Future Study Area" for Placer County (from the 1994 Placer

County General Plan)

Exhibit B: Phase 1 Boundary

Exhibit C: Phase 1 Development and Conservation Opportunity Areas and

Development Summary

Exhibit D: Stakeholder Maps (Maps D-1, D-2, D-3, D-4a and 4b)

Exhibit E: Extent of County Growth - 1994 and Subsequent Growth through 2006

Exhibit F: Proposed Development Projects in Western Placer County

Exhibit G: Public Outreach Efforts - Meeting Summary

Exhibit H: PCCP Finance and Cost Summary

cc: Rod Campbell, City of Lincoln

Einar Maisch, PCWA Celia McAdams, PCTPA John Marin, CDRA BWG Members IWG Members

Chris Beale, Resources Law Group

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